



**Before The  
State of Wisconsin  
DIVISION OF HEARINGS AND APPEALS**

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In the Matter of Claims Against the Dealer Bond  
of Vega Vehicles, LLC

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Case No: DOT-24-0013

Claimant: [REDACTED]

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**FINAL DETERMINATION**

On January 4, 2024, a Public Notice to File Dealer Bond Claims was published in the Chippewa Herald, a newspaper published in Chippewa Falls, Wisconsin, pursuant to Wis. Admin. Code § Trans 140.26 in response to the submission of a separate bond claim against the motor vehicle bond of Vega Vehicles, LLC (Dealer). The notice informed other persons who may have claims against the Dealer to file them with the Wisconsin Department of Transportation (Department) by March 4, 2024. On February 22, 2024, [REDACTED] filed a claim against the Dealer's bond, which constituted the second such claim.

The total amount of all claims does not exceed the value of the bond. The initial bond claim (Case No. DOT-23-0036) is addressed in a separate preliminary determination.

On May 30, 2024, a Preliminary Determination on [REDACTED] claim was issued pursuant to Wis. Admin. Code § Trans 140.26(4)(a). No objections to the Preliminary Determination were received. Pursuant to Wis. Admin. Code § Trans 140.26(5)(d), the Preliminary Determination is adopted as the final decision of the Department of Transportation.

In accordance with Wis. Stat. § 227.47 and 227.53(1)(c) the PARTIES to this proceeding are certified as follows:

Vega Vehicles, LLC,  
1692 Hallie Rd. #2  
Chippewa Falls, WI 54729

[REDACTED]  
[REDACTED]  
[REDACTED]

Pekin Insurance Company  
2505 Court St.  
Pekin, IL 61558

[REDACTED]  
[REDACTED]  
[REDACTED]

### FINDINGS OF FACT

1. Vega Vehicles, LLC is a motor vehicle dealer licensed by the Wisconsin Department of Transportation.
2. The Dealer has a continuous bond in force in the amount of \$50,000 satisfying the requirements of Wis. Stat. § 218.0114(5) beginning July 26, 2022 (Bond # B206988 from Pekin Insurance Company).
3. On July 27, 2023 Robert G. [REDACTED] (Claimant) purchased a 2006 Dodge 2500 from the Dealer.
4. The Claimant paid the Dealer \$16,900, for the vehicle plus \$845 in taxes. The Wisconsin Buyer's Guide did not disclose any issues with the vehicle.
5. The following week, the Claimant took the vehicle to a mechanic for maintenance. The mechanic notified the Claimant that the frame was in poor condition and covered in body putty, which the mechanic described as extremely noticeable.
6. The Claimant contacted the Dealer to request that they perform a buyback, but the Dealer refused.
7. On September 12, 2023, the Claimant contacted the Department to complain about the vehicle problems. In response to this complaint, the Department contacted the Dealer, who agreed to perform a buyback. He said he did not have the funds to do so, but would raise the funds by selling the truck at auction.
8. On October 3, 2023, the Dealer reported to the Department that he sold the vehicle, and offered to pay the Claimant \$15,000, with the remaining \$2,745 to follow later.
9. The Dealer paid the Claimant \$15,000, but never paid the remaining \$2,745.
10. On March 8, 2024 the Department referred the Claimant's bond claim to the Division of Hearings and Appeals for a declaratory ruling pursuant to Wis. Admin. Code § Trans 140.26(1). The Department recommended that the claim be paid in the amount of \$2,745, which is the purchase price of the vehicle plus taxes less the \$15,000 already paid to the Claimant by the Dealer.

### DISCUSSION

The procedure for determining claims against dealer bonds is set forth at Wis. Admin. Code Chapter Trans 140, Subchapter II. Wis. Admin Code § Trans 140.21(1) provides in relevant part:

A claim is an allowable claim if it satisfies each of the following requirements and is not excluded by sub. (2) or (3):

- (a) The claim shall be for monetary damages in the amount of an actual loss suffered by the claimant.

- (b) The claim arose during the period covered by the security.
- (c) The claimant's loss shall be caused by an act of the licensee, or the [licensee's] agents or employees, which is grounds for suspension or revocation of any of the following:
  - 1. A salesperson license or a motor vehicle dealer license, in the case of a secured salesperson or motor vehicle dealer, pursuant to s. 218.0116(1)(a) to (gm), (im)2., (j), (jm), (k), (m) or (n) to (p), Stats.
- ...
- (d) The claim must be made within 3 years of the last day of the period covered by the security. The department shall not approve or accept any surety bond or letter of credit which provides for a lesser period of protection.

Wis. Admin. Code § Trans 140.21(1).

The Claimant in the present matter has asserted a loss associated with purchasing a vehicle that had significant problems with the frame that would have required substantial cost to repair. In order to allow the claim against the Dealer's surety bond a finding must be made that the Dealer violated one of the sections of Wis. Stat. § 218.0116(1), identified in Wis. Admin. Code § Trans 140.21(1)(c)1, and that the violation caused the loss claimed. The burden of proof is on the Claimant to prove by a preponderance of the evidence that a violation occurred. *See* Wis. Admin. Code § HA 1.12(3)(b); *see also State v. Hanson*, 98 Wis. 2d 80, 295 N.W.2d 209 (Ct. App. 1980).

Under Wis. Admin. Code § Trans 139.04(4) and (5), a dealer is required to disclose in writing to inform prospective purchasers of used vehicles of all existing significant mechanical, electrical and electronic damage on the vehicle. Moreover, dealers are required to disclose defects on a Wisconsin Buyers Guide form that is displayed on the vehicle at the time it is offered for sale. Wis. Admin. Code § Trans 139.04(4) and (5).

The Claimant in this matter discovered significant damage to the frame of the vehicle the week after purchasing the vehicle from the Dealer. The damage was "extremely noticeable." The Dealer should have discovered the problems with the vehicle's frame during a reasonable presale inspection of the vehicle and should have disclosed them on a Wisconsin Buyers Guide displayed on the automobile at the time it was offered for sale. However, no issues were noted on the Wisconsin Buyer's Guide. The Dealer either failed to perform a reasonable presale inspection of the vehicle or intentionally failed to disclose the results of the presale inspection when it was offered for sale. Either way, the Dealer's actions constitute a violation of Wis. Admin. Code § Trans 139.04(4) and (5). A violation of any of these sections, in turn, constitutes a violation of Wis. Stat. § 218.0116(1)(gm). Wis. Stat. § 218.0116(1)(gm) is identified under Wis. Admin. Code § Trans 140.21(1)(c)1. The Claimant sustained a loss as a result of these violations, which

is the amount he paid for the vehicle plus taxes, less the amount the Dealer already paid him, totaling \$2,745.

### CONCLUSIONS OF LAW

1. [REDACTED] claim arose on July 27, 2023, which is the date that he purchased the vehicle from the Dealer. The continuous surety bond issued to the Dealer by Peking Insurance Company covers the period commencing on July 26, 2022. The claim arose during the period covered by the surety bond.
2. On February 2, 2022, [REDACTED] filed a claim against the motor vehicle bond of the Dealer. The bond claim was filed within three years of the last day of the period covered by the surety bond. Pursuant to Wis. Admin. Code § Trans 140.21(1)(d), the claim is timely.
3. The Dealer violated Wis. Admin. Code § Trans 139.04(6)(a) and 139.05(1)(a) during a vehicle sale, which constitutes a violation of Wis. Stat. § 218.0116(1)(gm).
4. [REDACTED] loss was caused by an act of the Dealer that would be grounds for suspension or revocation of its motor vehicle dealer license. The Claimant has supplied documentation to support a claim in the amount of \$2,745. Pursuant to Wis. Admin. Code § Trans 140.26(1)(c), the claim is allowable.
5. The Division of Hearings and Appeals has authority to issue the following order. Wis. Stat. §§ 227.43(1)(br) and 227.41(1) and Wis. Admin. Code § Trans 140.26.

### ORDER

The claim filed by the Claimant, Robert G. [REDACTED] against the motor vehicle dealer bond of Vega Vehicles, LLC is APPROVED in the amount of \$2,745. Peking Insurance Company shall pay the Claimant Robert G. [REDACTED] this amount for his loss attributable to the actions of Vega Vehicles, LLC.

Dated at Madison, Wisconsin on August 2, 2024.

STATE OF WISCONSIN  
DIVISION OF HEARINGS AND APPEALS  
4822 Madison Yards Way 5<sup>th</sup> Floor  
Madison, Wisconsin 53705  
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By: /s/  
Reisha Mitchell  
Administrative Law Judge

## NOTICE

Set out below is a list of alternative methods available to persons who may wish to obtain review of the attached decision of the Administrative Law Judge. This notice is provided to ensure compliance with Wis. Stat. § 227.48 and sets out the rights of any party to this proceeding to petition for rehearing and administrative or judicial review of an adverse decision.

1. Any person aggrieved by the attached order may within twenty (20) days after service of such order or decision file with the Department of Transportation a written petition for rehearing pursuant to Wis. Stat. § 227.49. A copy of any such petition for rehearing should also be provided to the Administrative Law Judge who issued the order. Rehearing may only be granted for those reasons set out in Wis. Stat. § 227.49(3). A petition under this section is not a prerequisite for judicial review under Wis. Stat. §§ 227.52 and 227.53.

2. Any person aggrieved by the attached decision which adversely affects the substantial interests of such person by action or inaction, affirmative or negative in form is entitled to judicial review by filing a petition therefore in accordance with the provisions of Wis. Stat. §§ 227.52 and 227.53. Said petition must be served and filed within thirty (30) days after service of the agency decision sought to be reviewed. If a rehearing is requested as noted in paragraph (1) above, any party seeking judicial review shall serve and file a petition for review within thirty (30) days after service of the order disposing of the rehearing application or within thirty (30) days after final disposition by operation of law. Pursuant to Wis. Admin. Code § TRANS 140.26(7), the attached final decision of the Administrative Law Judge is a final decision of the Department of Transportation, so any petition for judicial review shall name the Department of Transportation as the respondent. The Department of Transportation shall be served with a copy of the petition either personally or by certified mail. The address for service is:

Office of General Counsel  
Wisconsin Department of Transportation  
4822 Madison Yards Way, 9th Floor South  
Madison, Wisconsin 53705

Persons desiring to file for judicial review are advised to closely examine all provisions of Wis. Stat. § 227.52 and 227.53 to ensure strict compliance with all its requirements.